



Cleveland District Office News

Information for the Small Business Community

September 2007

U.S. Small Business Administration
Cleveland District Office

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September 2007 Newsletter
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For More Information
SBA Home Page: www.sba.gov

- SBA Answer Desk: 1-800 U ASK SBA
- Fax: 202-205-7064
- E-mail: answerdesk@sba.gov

*All of the SBA's programs and services are provided to the
public on a non-discriminatory basis.*

LOAN REPORT *as of August 31, 2007*

Total Loan Volume – AUGUST 2007
(7(a) and 504 Combined)

Bank	Number of Loans	Dollars (In Thousands)
National City Bank	306	\$33,460
Charter One Bank	232	\$10,051
Huntington National Bank	185	\$16,778
JP Morgan Chase Bank	159	\$17,420
U.S. Bank	138	\$9,080

504 Loans

Bank	Number of 504s
National City Bank	23
FirstMerit Bank	16
Key Bank	14
Sky Bank	10
Huntington National Bank	9

CDC	Number of Approvals	Dollars (In Thousands)
Growth Capital Corp.	51	\$19,602
Cascade Capital Corp.	24	\$15,738
Mahoning Valley Econ Dev Corp.	12	\$4,281
Community Capital Dev Corp.	11	\$6,252
Stark Development Board	10	\$2,474
Lake County SBAC	9	\$2,404
Northwest Ohio Dev Ass't	9	\$2,528
Mentor Economic Ass't Corp.	2	\$575
West Central Partnership	2	\$2,182
Ohio Statewide	1	\$95
SEM Resource, Inc.	1	\$1,519

**IRS and HUD to air Webcast on Expanded
Renewal Community and
Empowerment Zone Tax Incentives on
October 11, 2007,
2-4 pm EST**

The Internal Revenue Service (IRS) and US Department of Housing and Urban Development (HUD) are sponsoring a Web cast on October 11, 2-4 p.m. EST that will provide an overview of tax incentives for Renewal Communities (RCs) and Empowerment Zones (EZs) and updates on changes to these incentives. A panel of IRS experts will address employment credits, work opportunity tax credits (WOTC), commercial revitalization deductions (CRD), increased Section 179 deductions, and other incentives. The Web cast will be available at www.hud.gov/webcasts and viewers will need an updated version RealPlayer to view it properly. Viewers can visit this Website in advance of the Web cast to download a free updated version of this software and to test the audio and video on their computers while viewing a portion of any archived HUD Web cast. To earn two CPE credits, viewers must register for the Web cast by October 5, 2007 at OCTaxCredit@hud.gov and view the Web cast in its entirety. Viewers can submit a question for the IRS expert panelists with their registration.

The Web cast has been in the planning stages since the President signed Public Law 110-28, H.R. 2206: U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 on May 25, 2007. The law provides immediate increases in tax incentives for employers in Renewal Communities, Empowerment Zones, and rural renewal counties. The estimated \$11 billion in Federal tax incentives include increased deductions, accelerated depreciation, low-interest loans through facility bonds, tax savings on capital gains, and employment tax credits directed towards employers, investors, business owners, and stockholders that hire local residents, upgrade equipment needs, and build or rehabilitate commercial property in Renewal Communities and Empowerment Zones designated by HUD from nominations submitted by State and local governments.

For additional information, go to IRS Partner Headliners 209: Work Opportunity Tax Credits Expanded to Promote Tax Incentives for Economically Distressed Areas and [IRS PUB 954](http://www.irs.gov/publications/p954/index.html), Tax Incentives for Distressed Communities, at <http://www.irs.gov/publications/p954/index.html>. To learn about other IRS announcements and products and services, subscribe to e-News for Small Businesses. To see a sample and to start your free subscription to e-News, just go to IRS.gov, type in your e-mail address and submit. ♦

News for SBA Lenders

Wanted: Lenders to Deliver

Patriot Express Loans!!!



SBA's Sacramento Loan Processing Center (SLPC) advises that it is hearing from lenders who are interested in Patriot Express authority but do not provide the very limited but essential application materials required. The Center has worked diligently to process applications from SBAExpress and PLP lenders for participation in Patriot Express. In the short time this initiative has been in place, the Center has approved over 500 lenders, the vast majority in less than 24 hours. However, the Center has recently begun to field inquiries from a number of Lenders who have been advised that the only thing they need to do to apply is to notify the Center of their interest. While the Center does require only very limited information from a PLP or Express lender interested in participating, what is required is essential.

Lenders interested in participating must provide the following information to SLPC:

- Lender's exact legal name and address
- Name, title, address, phone number, fax number and email address for contact person at lender for this request and for future SBA contact
- **A letter from the lender certifying as to whether**
 - it is in good standing with its primary regulator; and
 - it currently is or in the past two years has been
 - subject to an enforcement action by any of its state or federal regulators; or
 - subject to any formal or informal agreements with any of its state or federal regulators.
- **A signed copy of the Supplemental Loan Guaranty Agreement for Patriot Express (to expedite application process, but SBA approval/execution of agreement is contingent on outcome of SBA's assessment of lender performance.)**

If you have any questions about the application process or need to obtain a copy of the Patriot Express Supplemental Loan Guaranty Agreement, please contact our Lender Relations Division at (216) 522-4180. ♦

Helping the Military Community Start and Grow Businesses A Fact Sheet for Lenders



As an SBA lender, here's an opportunity to join with others expressing thanks to our military community members safeguarding America's freedoms by increasing opportunities for them to start or expand small businesses.

Called **Patriot Express**, this pilot initiative integrates all of SBA's programs and services to veterans and members of the military community. **Patriot Express** targets those in the military community who want to establish or expand small businesses including:

- Veterans
- Service-disabled veterans
- Active-duty service members eligible for the military's Transition Assistance Program
- Reservists and National Guard members
- Current spouses of any of the above
- The widowed spouse of a service member or veteran who died during service or of a service-connected disability

Patriot Express loans may go up to \$500,000 and qualify for SBA's maximum guaranty of up to 85 percent for loans of \$150,000 or less and up to 75 percent for loans above \$150,000 to \$500,000. For loans above \$350,000, lenders will be required to take all collateral available.

As with **SBAExpress** loans, **Patriot Express** will use a streamlined, centralized and expedited SBA loan process relying heavily on ETran, and electronic applications which results in almost immediate SBA response.

Interest rates for **Patriot Express** loans range from 2.25 percent to 4.75 percent over prime depending upon the size and maturity of the loan.

And, you can use your own paperwork, just as with **SBAExpress** loans, which should reduce processing costs. Any lender approved for **SBAExpress** or the Preferred Lender Program may make **Patriot Express** loans.

According to figures from the SBA, U.S. Census Bureau and the Government Accountability Office, approximately 4 million veterans own small businesses, and approximately 13 percent of Reservists in the private labor market are small business owners. Research also shows that nearly 22 percent of service members leaving the military consider starting small businesses.

SBA district office personnel and resource partners like SCORE, Counselors to Americas Small Business; Small Business Development Centers; Women's Business Centers; and Veterans Business Outreach Centers can help applicants decide if the idea is feasible, assist in creating a business plan, help with credit applications and give valuable advice on how to stay successful once the businesses have started.

www.sba.gov

U.S. Small Business Administration



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Lenders: Helping the Military Community, *(From page 3)*

But Patriot Express is much more than just a loan guaranty.

SBA and its resource partners will assist Patriot Express applicants with:

- Writing a business plan
- Managing the business
- Expanding the business
- Obtaining financing
 - Loans to start or expand small business
 - Major fixed-asset loans to purchase land and buildings
 - Surety bond guarantees for small and minority construction contractors
- Contracting opportunities
- Equity financing matching venture capitalists with your small business.
- Export assistance programs to help your business be part of the global economy.



For more information about the Patriot Express Initiative, go to www.sba.gov/patriotexpress or to contact your nearest SBA district office go to www.sba.gov/localresources/index.html.

DREAM COMES TRUE FOR SBA BORROWER

On August 30 at the Subway Restaurant in Cortland, Ohio, there was an official ribbon cutting ceremony to celebrate the opening of the new location for this Subway franchise. Owners Michele Rudesill and her husband Jeremy, SBA representative Thomas Sangrik, Cortland Bank Vice President Jim Duff, Chamber of Commerce official Mark Kholos, and other officials attended the ribbon cutting event.

What is unique about this restaurant is that owner Michele Rudesill started working at this Cortland Subway franchise when she was in high school and only 15 years old. She could only dream that someday she would own her own business by purchasing this Subway franchise, move it across the street, and would install the full service first drive-up window at a Subway in the region. Michele worked her way up the ladder at Subway. She started as a sandwich artist, became a store manager, then an area operations manager. Now twelve years later, with the help of an SBA loan through Cortland Bank, Michele's dream of owning her own Subway business has finally come true. The drive-up window has been a big success, helping to increase sales.

Congratulations and continued success to Michele and her business!♦



Small Business Frequently Asked Questions: Updated Small Business Statistics from the Office of Advocacy

SBA's Office of Advocacy has recently updated its "Small Business Frequently Asked Questions" about small business. The easily printed, complete FAQ with tables is on SBA's web site at <http://www.sba.gov/advo/stats/sbfaq.pdf>.

We know that small business is a vital part of our economy and our communities. You can help us spread that word by directing people to our web site, printing and distributing the FAQ, and using these statistics when appropriate. ♦

SBA on the Road

Are you tired of the office? Well we are and that's why we will be happy to go "on the road" with you to acquaint your lenders with SBA finance programs including such new offerings as Patriot Express. Patriot Express looks like Express but has a higher limit (\$500,000) and carries a higher SBA guaranty (75%-85%).

We will tailor the training to suit your bank's needs and meet at your locations. Please feel free to include branch personnel as well as your business and corporate lenders. Getting acquainted with the basics of SBA finance will help your lenders identify SBA prospects and increase your loan volume. ♦

To arrange a road trip or visit, please contact Mark Hansel at 216-522-4191 or email him at mark.hansel@sba.gov.

SBA and U.S. Chamber of Commerce Reach Disaster Response, Recovery Agreement

The U.S. Small Business Administration and the U.S. Chamber of Commerce will pool their resources to more effectively respond to major disasters, paving the way for faster recovery in affected communities. The SBA's alliance with the Chamber's Business Civic Leadership Center (BCLC) is part of a continuing effort to broaden the agency's response capacity in catastrophic disasters. Per the agreement, SBA will provide information on its disaster recovery program and the agency's resource partners (including Women's Business Centers, SCORE, and Small Business Development Centers) to BCLC and local chambers of commerce.

In addition, SBA will share situation analyses with BCLC and local chambers' during pre-disaster and recovery periods, and share needs and capability assessments in the event of a catastrophic disaster. For the latest news and information on SBA's Disaster Assistance program, visit the Web site at <http://www.sba.gov/services/disasterassistance/index.html>. For information on BCLC and its disaster assistance and recovery program, visit www.uschamber.com/bclc. ♦

HOW COME SBA IS NOT ANSWERING MY EMAIL?

Email Out-of-Office Notifications Change



Several months ago, the SBA Office of the Chief Information Officer blocked SBA email out-of-office notification deliveries to all external email addresses. This action was taken to protect the Agency from phishing and spam operations that use out-of-office notifications to confirm the validity of emails for their databases. Consequently, customers outside of SBA will no longer receive an out-of-office notice. ♦